

PRELIMINARY DRAFT

3/19/93

March 19, 1993

Mr. Pat Armstrong
Vice President of Marketing
Kentucky Derby Festival
137 W. Muhammad Ali Boulevard
Louisville, Kentucky 40202

Marlboro Adventure Team Exhibit

Dear Mr. Armstrong:

This letter constitutes the agreement between Philip Morris Incorporated ("Philip Morris") and Kentucky Derby Festival ("Festival"), pursuant to which Festival will permit Philip Morris, on behalf of its Marlboro brand of cigarettes, to sponsor and cause to be operated an exhibit in connection with its Marlboro Adventure Team promotion (the "Event"). The Event will be operated on a 50' x 65' area of an asphalt space located on River Road adjacent to Clark Memorial Bridge, Louisville, Kentucky in conjunction with the Kentucky Derby Festival, a description of which is attached hereto as Exhibit A (the "Site"). The Event will be operated and administered by Harris Production Services ("Operator") for and on behalf of Philip Morris and will be held at the Site from April 17th through April 28th, 1993.

1. Site Ownership. Festival represents and warrants that he has the right and authority to enter into and perform this Agreement and the activities contemplated by the Agreement.

2. Access to Site, Exclusive Use. Festival will permit Philip Morris, Operator and third parties designated by Philip Morris access to the Site from April 15th through April 30th, 1993 and exclusive use of the Site during the Event.

3. Promotional Materials, Incentives. Festival grants Philip Morris the exclusive right during the Event to display MARLBORO signage, promotional and other materials at the Site and to distribute incentive items to smokers twenty-one years of age and older in and around the Site in areas under Festival's control, including the placement by Philip Morris of up to 10

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Marlboro Adventure Team directional signs on Kentucky Derby Festival premises. Festival will not permit promotional or advertising materials of any party other than Philip Morris to be placed at areas under Festival's control at or around the Site during the Event.

4. Payment. ^{+10,000.} In consideration of the rights and permissions granted to Philip Morris by Festival, Philip Morris will pay Festival ~~\$12,000.~~ Philip Morris will pay Festival ^{5,000} ~~\$5,000~~ upon execution of this Agreement and the remaining balance of ~~\$6,000~~ ^{15,000} within 30 days after completion of the Event; each payment shall be made upon submission of an invoice.

5. Site Maintenance. Philip Morris will maintain the Site during the Event, and leave the Site in the same general condition it was in immediately prior to the Event, reasonable wear and tear excepted. Philip Morris will be responsible for securing comprehensive general liability insurance, security, electrical and water service and required permits in connection with the Event.

6. Term. This Agreement will commence upon its execution, and will continue through the completion of the Event and restoration of the Site.

7. Independent Contractor. Festival is an independent contractor and the Agreement shall not be construed to create an association, partnership, joint venture, relation of principal and agent or employer and employee between Philip Morris and Festival or its agents within the meaning of any federal, state or local law.

8. Trademarks. Festival recognizes and acknowledges that the MARLBORO name and the names of any and all other Philip Morris brands, and the designs, emblems, slogans and insignia of the respective brands, and the goodwill associated therewith, have great value and are the sole property of Philip Morris. Festival agrees that it has and will claim no right, title or interest in the same or the use thereof.

9. Restriction. During the Event, Festival will permit no other event sponsored by an entity whose products compete with the products of Philip Morris, to be held at or around the Site in areas under Festival's control.

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10. Miscellaneous.

(a) This Agreement shall not be assigned, modified or amended except by a writing signed by both parties.

(b) This Agreement sets forth the entire agreement between the parties on its subject matter and supersedes all previous oral or written agreements between them on the subject matter.

If the foregoing accurately sets forth our understanding, please signify your acceptance and agreement by executing the enclosed copies of this letter and returning both signed copies to me.

Very truly yours,

PHILIP MORRIS INCORPORATED

By: _____

Title: _____

ACCEPTED AND AGREED AS OF
THE DATE OF THIS LETTER:

KENTUCKY DERBY FESTIVAL, INC.

By: _____
Pat Armstrong
Vice President, Marketing

Filing Status: _____

Taxpayer ID No: _____

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